Previous references.

File No. 104-10

1910.

(S.R.);

Serial No. 1-

Later references.

GENERAL AND REVENUE SECRETARIAT.

Serial No. 1

Part B. for May 1911.

SUBJECT.

Re, the introduction of the fixed fee system in place of the present auction system with regard to toddy shops.

1. To the Excise Comr.
" Comptroller
" Deputy Comrs of districts.
No. 2E. 5594-603 dt. 11.5.11.
States that the proposed fixed fee system does not commend itself to the Govt.

G. R. S. 58

S. Kappanna
1.12.11

2648

G.R.S. 11] 1910.

GENERAL AND REVENUE SECRETARIAT.

(Septer)

NOTES.

File No. 104-10

FILE HEADING.

Fixed Fee System of leasing out Toddy shops.

From

No.	Dated	Received

Diary No. 2648 2650 | Enclos. | Spare Copies | Serial No. 14

BRIEF ABSTRACT OF LETTER.

NOTES AND ORDERS.

P.T.O.

NOTES—First sheet

GPB—30,000—3-4-07.

SR 104-10 Dab 48 8

Extract from Mr Sparkes D.O letter of 4.1.11 (camp Goribidnur) to the 1st Councillor

I made a proposal to Govt sometime back regarding toddy but have received no reply as yet. The proposal was to fix the rental of toddy shops instead of selling them by auction and assign small tracts of land to each shop and allow the shop keeper to work up his grove. As you are no doubt aware that the general policy is that the principal revenue from toddy should be derived from the tree tax and not the shop rent and in the Madras Presidency they have now so worked it that 2/3rd of the revenue is derived from the tree tax and 1/3rd from shop rent, but in Mysore it is just the reverse. My idea now is to fix the rent of the shops which may now be considered to have reached the limit and assign certain tracts of land to each shop and allow the shop-keeper to work up that land for his shop use, this system would have very many advantages, firstly we should be able to supervise the tapping and yield, very much better than we can at present and secondly we should be able to throw open an enormous extent of land for cultivation and so enhance the land revenue. I have just been going through the statistics for the Goribidnur shop and find that although he only takes 1500 trees per annum an extent of 800 acres has been assigned to the shop, whereas if the grove were improved and properly planted up an area of 50 acres would be ample. I would

therefore

therefore propose to let the man choose his 50 acres, mark it off, and put him the name of the shop and so long as the man worked the 50 acres properly and his shop, allow him to retain his shop at a certain fixed fee and as time goes on we could raise the tree-tax but allow the shop to remain as it is; in this way we should make certain of our revenue and which would not fluctuate as at present.

2 In making this land over to the shop keeper I would allow him to have to pay assessment (as he has at present) and to improve the grove by cutting out dead and useless trees under supervision and also allow him to grow any crops on the land he may wish as by tilling the soil the trees are greatly improved. Under the present system we have retained an enormous extent of land which is most valuable to the ryots and on this land we have millions of trees that are of no use and never will be and should be cut out to allow of improvement to the remaining trees and I think I may safely say that of all the trees now standing there is only about 10% of tappable trees, the remainder are merely an encumbrance to the land and deteriorate the growth of the good ones and so long as our present system of annual or three yearly sales continue the present state of affairs will continue as the contractor is not going to spend a lot of money on improving and planting groves, if he thinks there is a likelihood of his being turned out next year.

3 If you agree with me on this point

point will you allow me to make a beginning this year with the taluk head quarter shops; this can easily be done and we can get good reliable men to commence with and set the example for future years if this found to answer and which I am sure it will, once this spirit of insecurity and gambling has once been put down.

P.T.O

G. R. S. 12]
General and Revenue Secretariat.

S.R. File No. 104 of 1910

Serial No.

Please see Paras 66 & 69 of the Report of the Committee P.W.D.

"the Fixed Fee System advocated by the Excise
"Committee. The Govt of India recommend"
"the System of auctioning on long leases",
"but in actual practice it is often found"
"very difficult to stop exactly at the correct"
"figure even then. This system is being"
"experimented upon in some taluks. As a"
"comparison of the results of the different"
"Systems may furnish correct data to work"
"upon for the final adoption of either System",
"it was resolved that this fixed fee System"
"should be tried in certain selected areas."
"The opinions of the several Deputy Comrs are"
"embodied in the Memorandum and if the"
"Govt should sanction this proposal, further"
"steps will be taken to fix the places and the"
"amount of fees in communication with"
"the Deputy Comrs."

6. The opinions of the Dy Comrs referred to are as follows:—

Shimoga proposed to try it in separate shops in different Taluks.

Bangalore declined to have the system in his district.

Ellore was in favor of trying it in one or two shops in the Ellore city.

Tumkur proposed to try it in one shop in

NOTE—Contn. sheet.

GPB—50,000—12-8-10

G. R. S., 12]
General and Revenue Secretariat.

S.R. File No. 104 of 1910

Serial No.

in Tumkur town.

Hassan also in one shop in Hassan town.

Kadur was against the introduction of the system.

Kolar agreed to try in different shops in different Taluks.

Chitaldrug was for trying it in one or two shops in the District.

Submitted for orders.

ASR (12-1) 16/1/11

ord 17/1/11

4 1. The Resolutions of the Govt of India viz on the recommendations made by the Excise Committee regarding the introduction of the Fixed Fee System and the Madras Report for 1909-10 in which it is stated that this system which was in vogue in Ganjam & Vizagapatam Districts was abolished and the I.I. System introduced are put up. Certain shops in the Madras Town were also sold by auction

X (Page 2: (2) C+D)

Mg. 83 31/1/11.

ord 2/2/11

NOTE— Contn. sheet.

GPB—50,000—12-8-10

G. R. S. 12]
General and Revenue Secretariat.

File No. 104 of 1910

Serial No.

8 The proposal to of the Excise Commr may be considered but the Govt of India do not recommend such a course — the recommendation of the Excise Committee notwithstanding. Kind attention is invited to the reasons recorded in the Govt of India Resolution (pp 17 & 18, 19 & 22. of the Fort St George Gazette Supplement) 8/28/5/1907.

7.

9. for The defects pointed out by the Excise Commr the proper remedy seems to be not a total abandonment of the auction System but an extension of the System of long term leases — say for 3 years.

10. The Auction System has the great advantage of preventing the frauds of vested interests and of giving a correct indication of the ~~demand~~ variations in the demand for toddy. This is necessary for adjusting the rate of duty from time to time

31/1/11.

See 11 The reasons stated in the Govt of India resolution seem to be very strong & almost conclusive against a fixed fee

NOTE—Contn. sheet.

GPB—50,000—12-8-10

G. R. S. 12]
General and Revenue Secretariat.

SR File No. 104 of 1910

Serial No.

system, the chief danger of which the growth of vested interests. How troublesome the latter is likely to be may be judged from the case of Anderson's shop in the K.G.F. and Jagannadha Mudali's foreign liquor shop in Bangalore. It would be quite intolerable to have such takrars cropping up in respect of each toddyshop in the State.

12. No doubt as Mr Sparkes says the present system does not ensure proper care being taken of the trees. The contractor pays only tree rent and tax for a year & has takes no thought if the tree dies out. ~~by deaths~~ & A certain amount of care is taken by the departmental officials to prevent overtapping etc, but there can be no doubt that groves are not much cared for. Mr Sparkes' system would no doubt ~~not~~ create an interest on the part of the contractor in the grove but ~~of~~ it is doubtful if even that would be ~~enough~~ sufficient to induce him to spend a lot of money in improving the grove. If a small area is assigned to him & in a few years the supply fails, the contractor is sure to ask for trees elsewhere & Govt cannot

NOTE—Contn. sheet.

GPB—50,000—12-8-10

G. R. S. 12]
General and Revenue Secretariat.

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Serial No.

well refuse the request to the detriment of revenue. A better plan would, it seems to me, be to increase the tree rent - which is now 4 as - to 8 annas and spend a larger sum than now on the improvement of groves. Cultural operations like thinning out, ploughing etc may be undertaken in suitable groves under departmental management, & not as similar steps are taken in the forest dept. A certain amount of money laid out that way would not be a loss. Private people may be encouraged to take up groves & improve them for a period of years (say 5 or 10 years) on condition that they grow a certain number of trees, & they may be allowed to raise catch crops & take a part of the tree rent [say 4 as per tree (tapped) during their term of occupancy. I would submit that the question of ~~question to~~ improving the groves should not be mixed up with the question of selling the toddy auction.

13. The great proportion of the rental to the total revenue from toddy is no doubt an unsatisfactory feature but the remedy is to raise the tree tax.

NOTE—Contn. sheet.

GPB—50,000—12-8-10

G. R. S. 12]
General and Revenue Secretariat.

S.R File No. 604 of 1910

Serial No.

14 A proposal to raise the tree-tax to some extent is before Govt. The high rentals probably indicate the prevalence of dishonest practice but where is the guarantee that once the rentals are fixed at a low level the dishonest but lucrative practices will cease? They will presumably go on as ever unless the detective staff of the dept is efficient enough to put them down.

184 CSB 1/2/4 SB 1/2/4

15

2138 21.2.11

The above observations of the Secretary are to the point. The system advocated by the Excise Commr has already been considered & thrown out by the Government of India though recommended by the Excise Committee. Ganjam & Vizagapatam too have followed suit.

16 There would be less objection

NOTE—Contn. sheet.

GPB—55,000—27-4-09

G. R. S. 12]
General and Revenue Secretariat.

SR. File No. 104 of 1910

Serial No.

to extending the period of auction lease to 3 years. The proposal of the Excise Commr is beset with many practical difficulties, besides the creation of troublesome vested rights

VVN
21/2/11

Dewan

CSB
21/2/11

10250
22.2.11

SR
21/2/11

Supporting the system as an experiment in the case say of one Taluk Head Quarters in each District & limit the lease to three or five years? This seems to be worth trying —

To Members — 25/2/11

& then at Council meeting

25/2/11

Circulate

CSB
25/2/11

Seen

28/2/11

1/3/11 CSB

NOTE—Contn. sheet.

GPB—55,000—27.4.09

C. 230 13
1. 3. 1911

GENERAL AND REVENUE SECRETARIAT.

Council Matter.

SUBJECT.

Introduction of the fixed fee system in place of the present auction system with regard to toddy shops.

CIRCULATED TO COUNCILLORS.

By Order,

1st March 1910. C S Balasundaram Jr
for Secretary to Government.

K. P. Puttanna Chetty, Esq.,
First Councillor.

Seen after

C 132 H. V. Nanjundayya, Esq., M.A., M.L.,
Second Councillor

GPB—500—7-1-10

10738
27.3.11 SR 104-C 14

Extract from the Proceedings of the 260th Meeting of the Council of His Highness the Maharaja, held at Mysore on the 21st & 22nd March 1911

V. Subject.-(Clause viii of the Schedule)

Introduction of the fixed fee system in place of the present auction system with regard to toddy shops.

Opinion of the Council.

The fixed fee system does not commend itself to Government and need not be introduced in place of the auction system.

(Sd) T. Anandarao
Dewan of Mysore

Extract

C. Balasundaram
Offg Secy to Govt.

SR 104-0 15

Submitted to His Highness.

Under the Tree-tax system introduced in 1898-99, the right of vending toddy in each individual shop or group of shops is sold by public auction. The right of vend is ordinarily limited to one year and the licensee is allowed to draw toddy from the trees in Government groves assigned to the shops

2. The Excise Commissioner (Mr. H.H. Sparkes) proposes that the present system may be replaced by the fixed fee system under which Government "fix the rental of toddy shops instead of selling them by public auction, assign small tracts of land (date groves) to each shop and allow the shop-keeper to work up his grove".

3. Mr. Sparkes recommends the change mainly on 3 grounds, viz., (a) that the principal revenue from toddy should be derived from the tree-tax system and not from the shop-rent;

(b) that the fixed system would enable effective supervision of tapping and yield;

S.R. 104-10 17

Record of Cases submitted for the Orders of His Highness the Maharaja

Subject.

Introduction of the fixed fee system in place of the present auction system with regard to toddy shops.

18.4.11
1929

616

Order.

I agree with the Dewan.

KRW
26/4/11

Secy
28/4/11
Fair draft
29/4/11

29/4/11

29/4/11

G. R. S. 12]
General and Revenue Secretariat.

GR File No. 104 of 1910

Serial No.	
	draft-subd
	Jns. 83
	2/5/11.
	2/5/11
	4/5/11
	Sec)
	Issue
	S.B 5/5/11
	To Wetxcise com Comptroller D/com's of W5 no 7c 5594-603 dy 4.5.11 States that the proposed fixed fee system does not commend itself to Govt

NOTE—Contn. sheet.

GPB—50,000—12-8-10

4

5/5/43 Am

(1)

G.R.S. 28.]

File No. 604-6

Serial No. 1

Diary No. of letter replied to 2648

Proceedings of the Government of His Highness the Maharaja of Mysore.

GENERAL AND REVENUE SECRETARIAT.

(SR)

the 19

Date of issue 10 May/11

Signed by N Thimmayya

READ—

Letter No: of the 4th January 43 from the Excise Commr in which proposing that the present system by which the right of vending toddy in the several shops in the State is sold by public auction may be replaced in certain parts of the State by the fixed fee system under which Govt fix the rental of toddy shops, instead of selling them assign small tracts

ORDER THEREON.—NO.

over

SUBJECT.

GPB—10,000—9-12-09

2

of land containing date trees or groves to each shop and allow each shop keeper to work ~~off~~ the ~~for~~ grove attached to ~~each~~ his shop

---

order thereon. Jc

No 35594—603 & 11 May/11

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1. The Excise Comm. commends the change mainly on three grounds.—
(a) That the principal revenue from toddy should be derived from the rice-tax and not from the shop rent,
(b) That the fixed fee system would enable effective supervision to be exercised over ~~of~~ tapping and yield of trees; and
(c) That it will ~~the new system~~ Govt would enable to throw open an enormous

G.R.S. 27]

GENERAL AND REVENUE SECRETARIAT.

(*Continuation Sheet draft form.*)

extent of land for cultivation and so enhance the land revenue.

2. Govt., ~~though they agree in the main with the views expressed above~~, are of opinion that in view of the tendency to create vested interests and the complications the proposed fixed fee system does not commend itself to them. The question of improving date groves should not be mixed up with the question of selling the shops by auction.

3. The Govt of Madras have also negative a similar recommendation of the Excise Committee

(vide letter regarding arrack sub-note).

GPB—10,000—22-2-11

Govt therefore direct that the fixed fee system need not be introduced in place of the existing auction system in regard to toddy shops.

C&T/7/11

Offg Secy to Govt

The Excise Commr Mysore
The Comptroller to Govt
The Dy Commrs of Districts.

Im 83.

2/5/11
AMS
2/5